



Seattle
 Public
Utilities

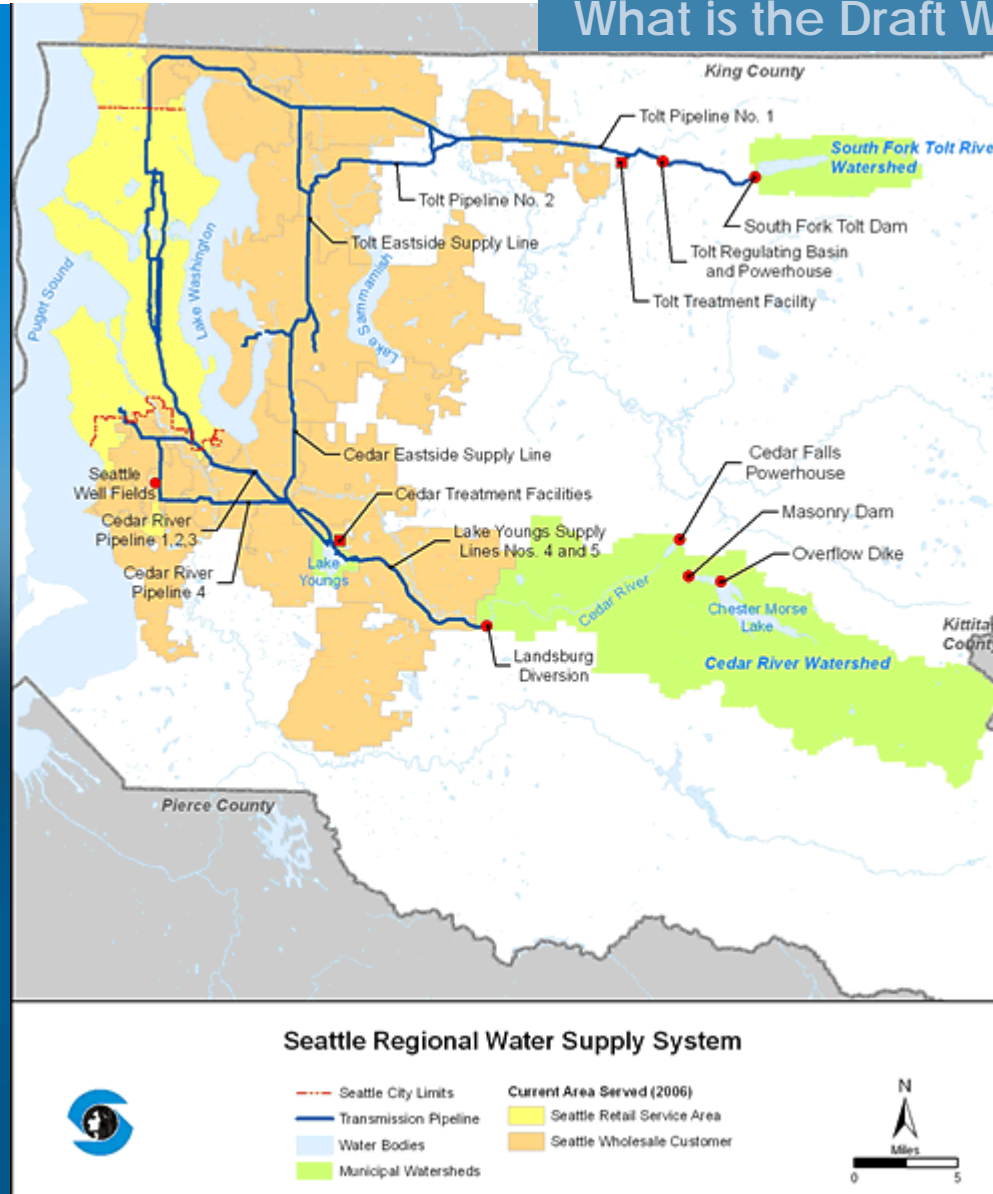
Seattle Public Utilities 2007 Water System Plan

Public Review Draft
July 20, 2006

Public Meetings
August 2006

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What is the Draft Water System Plan?



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What is the Draft Water System Plan?

- Updated every six years
- Provides direction for improving, managing and operating Seattle's water system
- Describes how SPU will meet demand in future
- Plans for water service at highest value to ratepayers over the long-term
- Continues environmental stewardship

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Why is it Important?



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Why is it Important?

- Establishes plans to maintain reliable delivery of high-quality drinking water
- Sets a long-term conservation goal
- Ensures consistency with growth management act and local plans

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Highlights of Draft Water System Plan



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Highlights of Draft Water System Plan

Conservation Goal

- Sets regional water conservation commitment for 2011-2030 with cumulative savings of 15 million gallons per day.

Planning for Uncertainty

- Forecasts supply exceeding demands until after 2060 – due to declining requirements of Cascade Water Alliance and commitment to conservation.
- Considers uncertainties about population growth, economic activity and climate change.
- Recommends no new source development at this time. However, identifies actions to make the supply system more robust and efficient.

SPU Policies

- Revises and updates policies from 1993.
- Incorporates asset management principles into investment decisions and strategies for dealing with aging infrastructure.

Potential Financial Implications

- Identifies major capital improvements over the next 30 years.
- Projects rates will be higher than the rate of inflation through 2015 to pay for financing of infrastructure improvements.
- Anticipates that, after 2015, rates will stabilize and begin decreasing in real terms.

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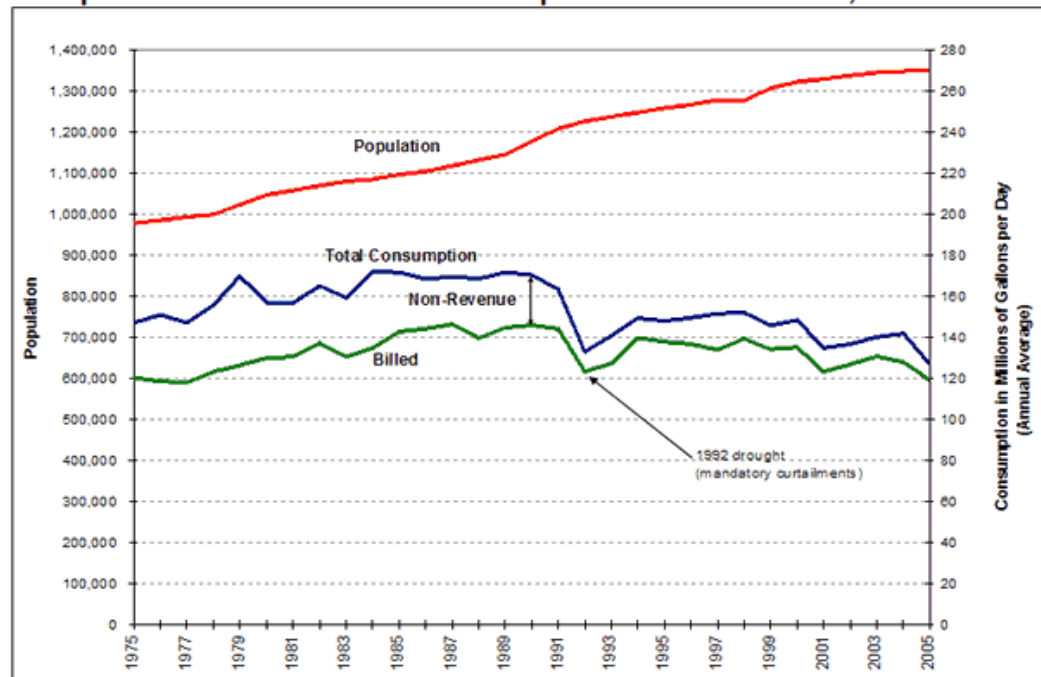
Conservation Goal



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Conservation Goal

Population Growth and Water Consumption from SPU Sources, 1975 – 2005*



*Note: Issaquah, Sammamish Plateau and Covington are not included in historic data because they did not become customers until 2004 when contract with CWA was signed.

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Conservation Goal

- Regional 1% Conservation Program (Saving Water Partnership) was developed in 2000 to help meet the water supply needs expected by 2013.
- In addition, Seattle set a conservation goal for additional conservation and to substantially retrofit all qualifying low-income homes in the city.
- Current commitments are funded through 2010.

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Conservation Goal

- A 20-year regional conservation goal of 15 mgd of savings has been set by the Operating Board.
- These savings are included in the demand forecast as a baseline of savings from conservation.
- If more water supply is needed in the future, additional conservation would be considered as an option.

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Conservation Goal

- Water savings will come from efficiency measures that maintain our life styles and a healthy business climate.
- Included are conservation measures that go beyond the Washington State Plumbing Codes, such as:
 - Bathroom fixtures (toilets, urinals, faucets, and showerheads)
 - Kitchen faucets
- As well as:
 - Reducing water used for cooling air in large buildings.
 - Creating a “better way to beautiful” in water efficient landscapes.

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Conservation Goal

- Today – given the need for no new supply – conservation is viewed as:
 - Low-cost insurance for climate change
 - Low-cost way to manage the resource
 - Low-cost way for customers to manage their bills

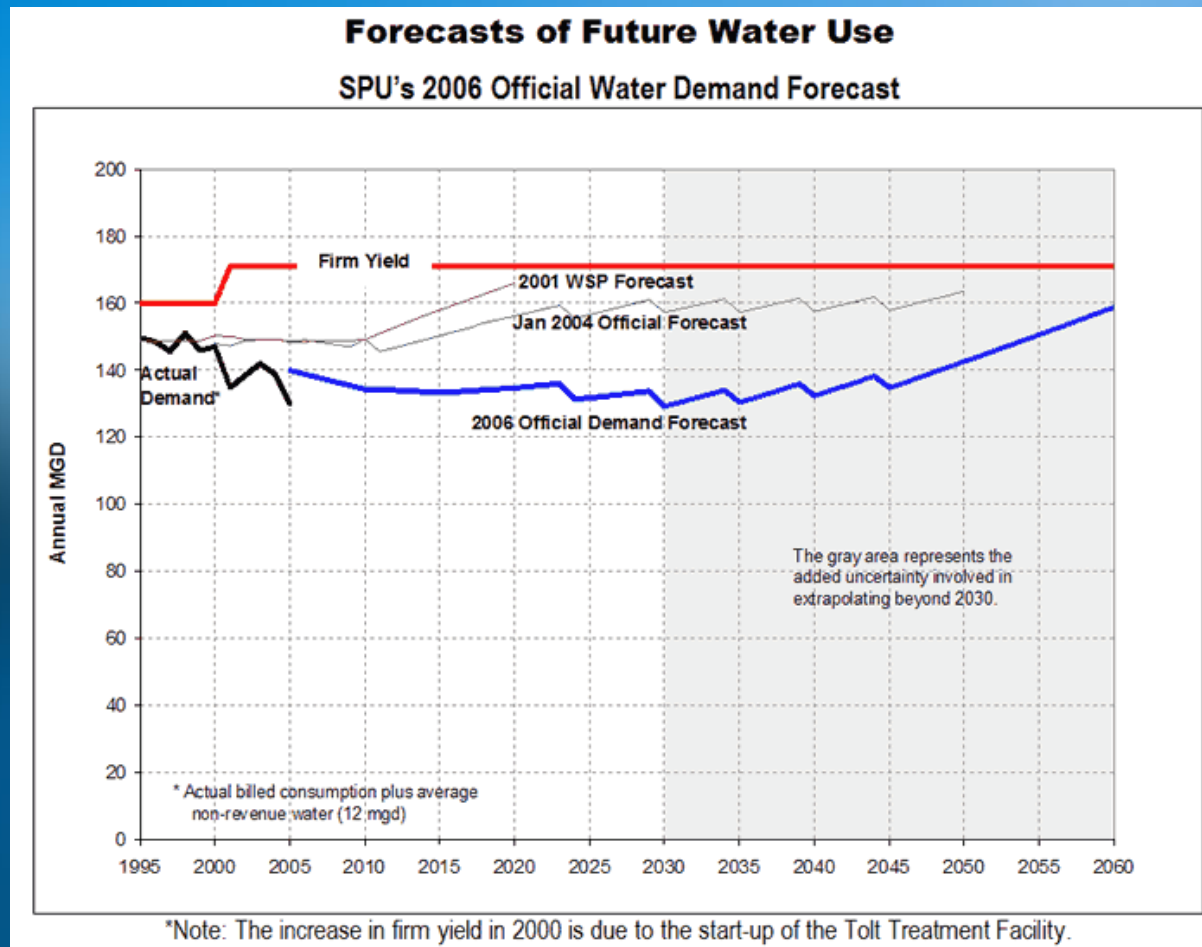
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Planning for Uncertainty



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Planning for Uncertainty

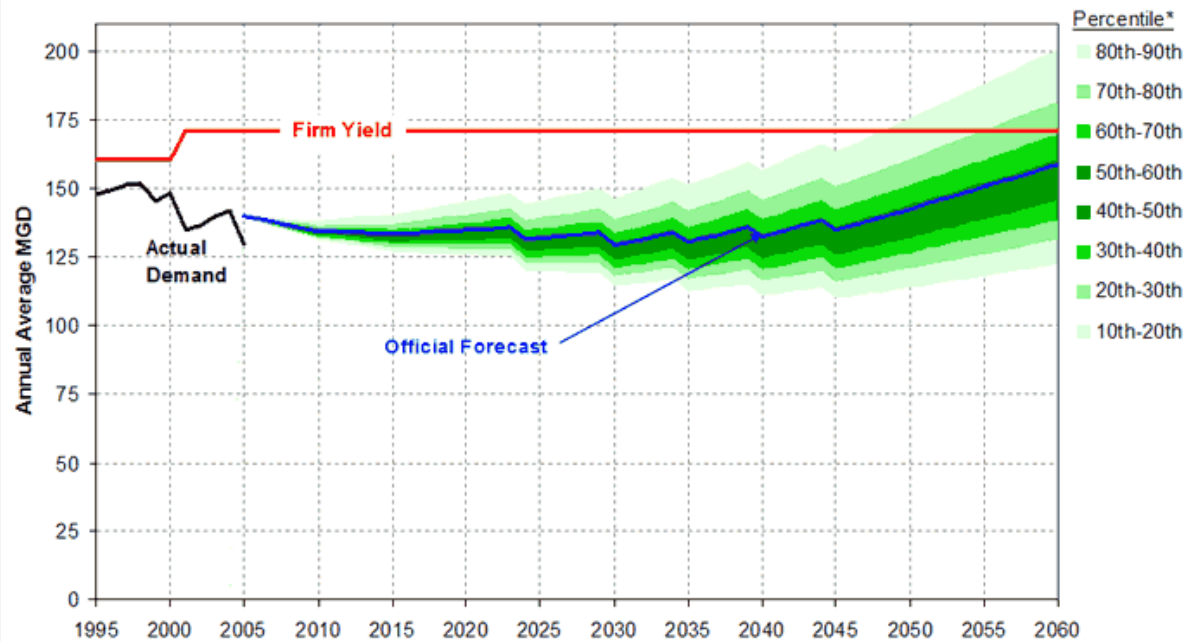


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Planning for Uncertainty

Water Demand and Supply Options

Uncertainty in Water Demand Forecast*



Note: Percentiles represent the probability that actual demand will be less than the value shown. Ranges reflect uncertainty in projected household, employment, price and income growth, price elasticity, income elasticity, and conservation. Note that the Official Forecast is at about the 57th percentile.

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Planning for Uncertainty

- Climate change
 - Examined as a scenario
 - Used scenario from UW study showing 50% loss in average snow pack resulted in 10% loss in firm yield by 2040 – or about 20 mgd loss of supply for SPU's current system
 - With official demand forecast, new source needed in 2055
 - Recognize new information will be developed and will update as needed

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Planning for Uncertainty

- Recap of Supply Assessment and Strategy for Future
 - Official forecast shows no new source of supply needed until after 2060.
 - No need to begin development of new sources at this time, even after considering uncertainties about future demand and potential climate change impacts.
 - Keep portfolio of options open for future consideration.
 - Update and revise assessment as new information becomes available.
 - Pursue ways to make system more efficient and robust.



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SPU Policies

- Asset management
- Environmental stewardship
- Security and emergency preparedness
- Meeting customer expectations
- Service area
- Regional role and partnerships
- Planning for uncertainty
- Supply reliability
- Resource selection
- High-quality drinking water provision
- Watershed protection
- Transmission and distribution system redundancy
- Access to Seattle regional water system

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Asset Management: A Priority for SPU



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Asset Management: A Priority for SPU

- Focus on cost effective delivery of services to customers – today and into the future.
- Base investment decisions on total life-cycle costs and benefits.
- Consider the triple bottom line – financial, social and environmental costs and benefits – when making decisions.
- Manage risks – the likelihood and consequence of actions.
- Measure results using established service levels.

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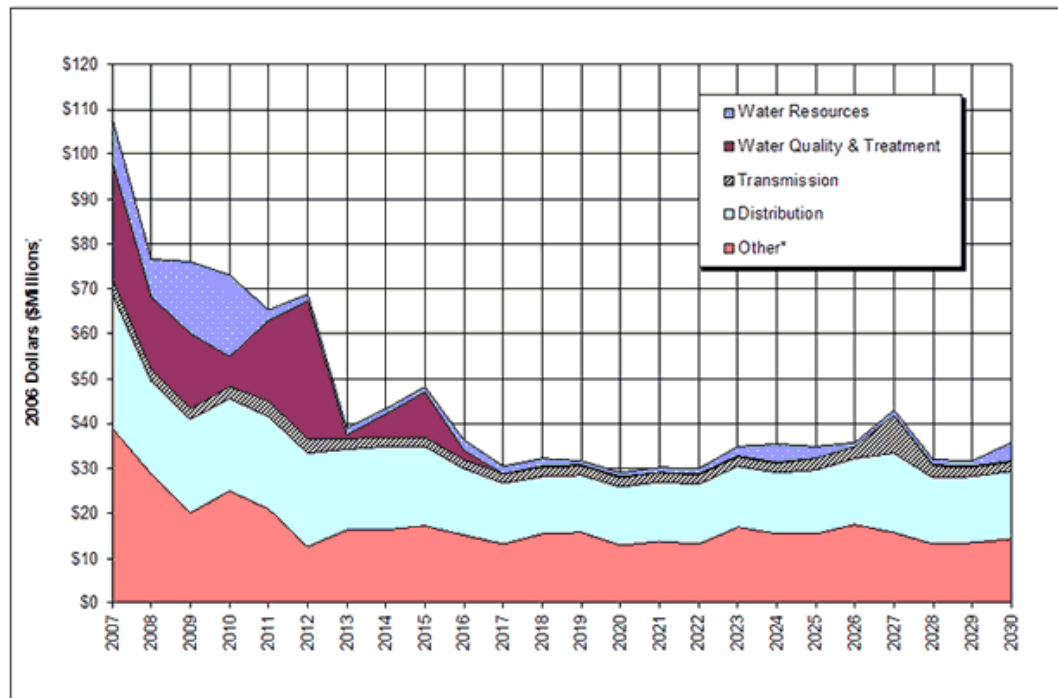
Potential Financial Implications



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Potential Financial Implications

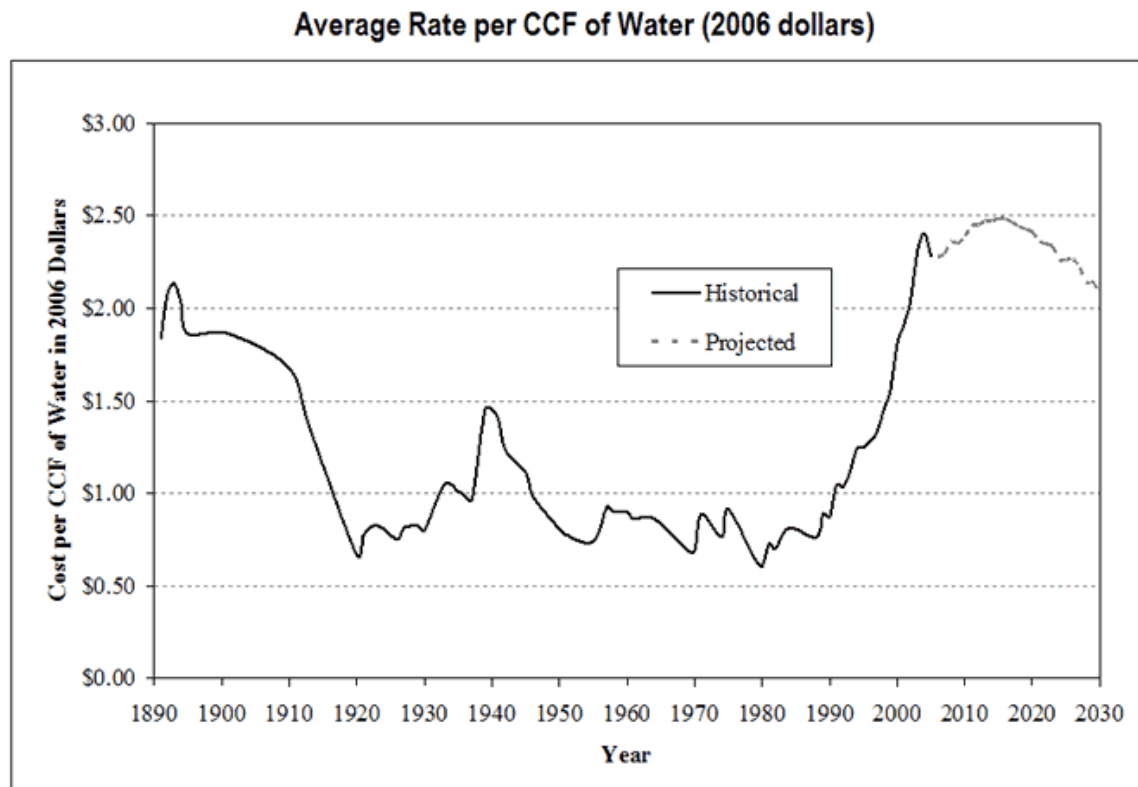
Potential Financial Implications
Proposed Capital Facilities Plan Spending through 2030



* Includes Major Watersheds, Fleets, Facilities, Security, Information Technology, SCADA, Water Design Standards, and other miscellaneous projects. Note: 2007-2012 CIP estimate from 3/20/06

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Potential Financial Implications



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Our Commitments



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Our Commitments

- Ensure long-term high-quality water supply while protecting instream resources
- Use Asset Management principles in business decisions throughout the utility to stretch available resources and make best use of our existing assets in the long-term
- Continue to be a leader in water conservation
- Focus on the customer
- Work together with other regional water providers to address regional water issues

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Our Timeline



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Our Timeline

- Public Review of draft Plan: July 20 - August 31
- SEPA (DNS/Checklist): August 3 - 31
- Seattle Council EEMU Committee
 - Public Hearing, August 29, 2:00-4:00 p.m.
 - Committee Vote, September 12, 2:00-4:00 p.m.
- King County Council will be reviewing in the fall
- State approval of the plan is required by April 2007

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We Want to Hear From You

- Comments due by August 31
 - Complete form and leave on sign-in table
 - Or send to:
Seattle Public Utilities
PO Box 34018
Seattle, WA 98124-4018
Attention: Joan Kersnar, SMT-49-00
- More information is available on line at:
www.seattle.gov/util/About_SPU
- General SPU phone number: 206-684-3000



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